



STATE OF CONNECTICUT
EXECUTIVE CHAMBERS

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GOVERNOR

FOR IMMEDIATE RELEASE
March 19, 2009

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Governor Rell Fights Expanded Powers for Federal Energy Regulators

Connecticut Experience with FERC 'Nightmarish,' Governor Says

Governor M. Jodi Rell today announced she has written U.S. Senate Majority Leader Harry Reid and the leaders of the Senate Committee on Energy and Natural Resources to strongly oppose language in pending energy legislation that would add to the powers of the Federal Energy Regulatory Commission (FERC).

Governor Rell told the federal lawmakers she supports the overarching goal of Senator Reid's bill, the proposed *Clean Renewable Energy and Economic Development Act*. But language in the bill that would effectively give FERC the power to put electric transmission lines anywhere it desires "is an assault on state's rights and threatens the homes and property of millions of Americans," the Governor said.

"Connecticut has had nightmarish experiences with FERC in the last five years – from its foolhardy proposal to create artificially high electric rates to its refusal to give our state a 'seat at the table' when it came to the proposed Broadwater liquefied natural gas platform in Long Island Sound," Governor Rell said. "I am telling Senator Reid and the leaders of the Energy Committee that they can take it from me and from the people of Connecticut: Giving more power to FERC is the last thing Congress should be doing.

"I understand that FERC's responsibility is to create a national energy grid," the Governor said. "But they have gone about it in a way that has alienated almost everyone around them. The idea of turning over such a critical state right – the right to site electric transmission lines – to an agency and process that we believe has served our state very poorly is an outrage and would rightly leave Connecticut citizens fearing the result."

The bill would give FERC the power to override state siting authority in the interest of expediting the construction of infrastructure needed to move "green" power – energy created by wind, solar, hydro, biomass or other means – from the relatively remote, often rural generation sites to the urban areas where it is needed most. Governor Rell said she supports the use of clean energy – noting that Connecticut was this month

cited by the U.S. Environmental Protection Agency as one of its top 50 “Green Power Partners” – but cannot allow FERC to run roughshod over state authority.

In her letter, Governor Rell outlines numerous instances in which FERC has “proven itself distant – even imperious – in its dealing with state governments and utterly indifferent to the needs or desires of local municipalities or their residents.”

Among the problems cited by the Governor:

- In 2004, FERC proposed a two-zone pricing scheme for Connecticut – Locational Installed Capacity, or LICAP – that would have devastated the state’s economy, costing ratepayers some \$13 billion over five years. The ostensible goal of LICAP was to stimulate power plant construction by artificially inflating electricity prices. Yet even FERC repeatedly acknowledged that the problem – at the time – was not generating capacity but transmission capacity, an issue that has since been resolved.
- In 2005, FERC refused to give Connecticut a role in any siting decisions involving the proposed Broadwater liquefied natural gas (LNG) platform in the Long Island Sound, an environmental crown jewel that is shared by both Connecticut and New York. Because the platform was to be located just across the New York side of the line dividing control of the Sound, FERC flatly refused to give Connecticut a seat at the table – despite the fact that the waters of the Sound wash up on both shores and the fact that LNG tankers would be navigating Connecticut waters on approach to the platform.
- In 2006, FERC ignored the concerns of residents and permitted the siting of a natural gas compressor on High Meadow Road in the Governor’s home town of Brookfield. The Iroquois MarketAccess Project location is 2,000 feet from a middle school and near a number of homes.
- In 2007, FERC continued to ignore those concerns and permitted the siting of a second natural gas compressor at the High Meadow Road location.

“This is by no means an exhaustive list,” Governor Rell said in her letter, which was also sent to Senate Energy Committee Chairman Jeff Bingaman (D-N.M.) and Ranking Member Lisa Murkowski (R-Alaska). “However, it gives you a sampling of the dealings we have had with out-of-control federal energy regulators who are already all too willing to trample on state’s rights and prerogatives and the interests of millions of ordinary citizens.

“To give this same body explicit permission to act in such a manner – even in the name of such laudable goals as increased energy security – is a truly frightening prospect,” the Governor said.